The Corporation of the City of Penticton British Columbia

Consolidated Financial Statements

December 31, 2013

BDO

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Independent Auditor's Report

To the Mayor and Council
The Corporation of the City of Penticton

We have audited the accompanying consolidated financial statements of The Corporation of the City of Penticton, which comprises the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Penticton as at December 31, 2013 and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Public Sector Accounting Standards.

BDO Canada LLP

Chartered Accountants

Penticton, British Columbia
June 23, 2014

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash	$ -	$ 2,838,041
Term Deposits (Note 2)	64,881,844	56,751,493
Accounts Receivable (Note 3)	9,493,038	7,337,791
Land Inventory Held for Resale (Note 14)	2,397,891	2,397,891
	76,772,773	69,325,216
FINANCIAL LIABILITIES		
Bank Indebtedness (Note 12)	490,162	-
Development Cost Charges Reserve Fund (Note 4)	7,345,974	5,207,190
Accounts Payable and Accrued Liabilities	11,594,785	13,063,946
Deferred Revenue	4,226,178	5,029,416
Deposits	2,295,836	2,066,832
Penticton Public Library	70,479	17,064
Municipal Finance Authority (See Debt Issued and Outstanding Sch.) (Note 9)	60,295,264	67,599,365
	86,318,678	92,983,813
NET DEBT	$ (9,545,905)	$ (23,658,597)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 10)	$313,085,090	$317,985,530
Inventory	2,987,262	3,018,884
Prepaid Expenses	851,919	524,264
	316,924,271	321,528,678
ACCUMULATED SURPLUS	$307,378,366	$297,870,081

See accompanying notes to the Consolidated Financial Statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013

	2013 Budget	2013	2012
REVENUE			
Taxation	$ 27,255,738	$ 27,165,495	$ 27,118,225
Sales of Services	58,106,312	55,388,805	50,041,366
Government Grants and Transfers	2,822,320	3,103,163	2,021,279
Other Revenue	9,669,369	11,466,351	11,427,780
Other Contributions	149,536	1,021,237	396,267
Gain on Sale of Assets	-	199,386	181,307
	98,003,275	98,344,437	91,186,224
EXPENDITURE (Note 11)			
General Government	7,746,930	12,934,613	13,016,672
Protective Services	12,685,004	13,639,507	12,553,889
Transportation Services	5,882,625	8,962,583	9,251,604
Environmental Health Services	1,325,438	1,219,342	1,234,419
Public Health and Safety	303,300	314,173	271,448
Environmental Development Services	2,919,593	2,655,757	1,927,885
Recreation and Culture	11,303,744	11,805,661	11,333,332
Electrical Supply	29,639,975	29,617,828	27,284,013
Sewer System Utility	3,451,439	3,879,867	3,807,362
Water Utility Services	3,619,310	3,806,821	3,753,283
	78,877,358	88,836,152	84,433,907
ANNUAL SURPLUS	19,125,917	9,508,285	6,752,317
ACCUMULATED SURPLUS, BEGINNING OF YEAR	297,870,081	297,870,081	291,117,764
ACCUMULATED SURPLUS, END OF YEAR	$316,995,998	$307,378,366	$297,870,081

See accompanying notes to the Consolidated Financial Statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED DECEMBER 31, 2013

	2013	2012
Annual surplus	$ 9,508,285	$ 6,752,317
Acquisition of Tangible Capital Assets	(8,559,790)	(10,677,384)
Amortization of Tangible Capital Assets	12,624,531	12,495,609
Disposal of Tangible Capital Assets	835,699	33,600
	14,408,725	8,604,142
Change in Prepaid Expenses	(327,655)	108,484
Consumption of Supplies Inventories	31,622	(445,101)
	(296,033)	(336,617)
Decrease in Net Debt	14,112,692	8,267,525
Net Debt, Beginning of Year	(23,658,597)	(31,926,122)
Net Debt, End of Year	$ (9,545,905)	$ (23,658,597)

See accompanying notes to the Consolidated Financial Statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

	2013	2012
Operating Transactions		
Annual Surplus	$ 9,508,285	$ 6,752,317
Change in Non-Cash Operating Items		
Decrease (increase) in Accounts Receivable	(2,155,246)	4,081,577
Increase in Trade Accounts Payable and Accrued Liabilities	148,802	101,326
(Increase) decrease in Prepaid Expenses	(327,655)	108,482
(Increase) decrease in Inventory	31,622	(445,100)
Asset Disposal	835,699	33,600
Amortization	12,624,531	12,495,609
	11,157,753	16,375,494
Cash Provided by Operating Activities	20,666,038	23,127,811
Capital Transactions		
Cash Used to Acquire Tangible Capital Assets	(8,559,790)	(10,677,384)
Financing Transactions		
Debt Repayment	(7,304,100)	(6,875,056)
Investing Transactions		
Increase in Term Deposits	(8,130,351)	(2,711,878)
Change in Cash	(3,328,203)	2,863,493
Cash and Bank Indebtedness, Beginning of Year	2,838,041	(25,452)
Cash and Bank Indebtedness, End of Year	$ (490,162)	$ 2,838,041

See accompanying notes to the Consolidated Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2013

Management's Responsiblity for the Financial Statements

The consolidated financial statements of the City are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The Corporation of the City of Penticton ("the City") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The City provides municipal services such as fire, public works, planning, parks, recreation and other general government services.

Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and Boards which are owned or controlled by the City. All inter-entity transactions and balances have been eliminated.

Interfund Balances and Transactions

All material interfund transactions and balances have been eliminated within the Consolidated Financial Statements.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

Revenue Recognition

Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of an allowance for anticipated uncollected amounts.

Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Utilities

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established. Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled.

Fee for Service

Sales of service and other revenue is recognized on an accrual basis.

SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2013

Financial Instruments

The City's financial instruments consist of cash and term deposits, accounts receivable, accrued interest receivable, Municipal Finance Authority, bank indebtedness, trade accounts payable and accrued liabilities, deposits and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

Tangible Capital Assets

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Buildings	20 to 70 years
Roads and Sidewalks	25 to 75 years
Machinery and Equipment	5 to 20 years
Water Infrastructure	10 to 100 years
Sewer Infrastructure	10 to 100 years
Electrical Infrastructure	20 to 25 years
Parks and Recreation Infrastructure	10 to 50 years
Vehicles	5 to 20 years
Furniture and Equipment	10 to 15 years
Computer Hardware and Software	4 to 10 years

Reserve for Future Expenditure

Reserves for future expenditure are non-statutory reserves which represent an appropriation of surplus for specific purposes. Transfers to reserves for future expenditure include funds to finance incomplete projects and accumulations for specific purposes.

Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

SIGNIFICANT ACCOUNTING POLICIES
DECEMBER 31, 2013

Use of Estimates

The preparation of consolidated financial statements in accordance with Public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

Collection of Taxes on Behalf of Other Taxation Authorities

The City collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. Change in Accounting Policy

During the year the City adopted two new public sector accounting standards both of which were adopted without restatement of prior year comparative figures as follows:

Government transfers – which recognizes the transfer as revenue when the funds are received unless there are stipulations that give rise to an obligation that meets the definition of a liability. As a result of adopting this standard in the current year, the amount previously deferred at December 31, 2012 of $419,879 (without having a stipulation that gave rise to a liability) was recognized as revenue as of January 1, 2013 in the Consolidated Statement of Operations.

Tax revenue – recognizes taxes as an asset and revenue once they have met the definition of an asset and taxes are levied, furthermore, taxes are subsequently evaluated for collectability. No changes were necessary to the December 31, 2013 assets or revenues as a result of this change in accounting policy.

2. Term Deposits

	Amount	Effective Interest Rate (%)	Maturity Date
Valley First Credit	$ 5,066,678	1.90	May 17, 2014
Valley First Credit	2,500,000	1.85	July 29, 2014
Valley First Credit	10,000,000	1.90	August 01, 2014
Valley First Credit	7,171,049	1.95	November 29, 2014
Valley First Credit	10,418,988	1.95	November 29, 2014
Valley First Credit	5,000,000	1.95	December 04, 2013
Municipal Finance Authority	24,725,129	2.40	December 31, 2014
	$ 64,881,844		

3. Accounts Receivable

	2013	2012
Property Taxes	$ 1,388,804	$ 1,322,244
Other Receivables	1,609,770	1,544,303
Federal Government	465,736	654,952
Provincial Government	1,149,418	1,193,881
Regional District Okanagan Similkameen	26,122	44,203
Other Government Agencies	1,521,786	8,000
Utility Rates Receivable	3,106,912	2,456,530
Accrued Interest Receivable	183,580	113,678
Cemetery Trust Fund Receivable	40,910	-
	$ 9,493,038	$ 7,337,791

4. Development Cost Charges Reserve Fund (DCC)

The City collects development cost charges to pay for a proportionate share of infrastructure related to new growth. In accordance with the Local Government Act of BC, these funds must be deposited into a separate reserve fund. When the related costs are incurred, the DCCs are recognized as revenue.

	2013	2012
DCC by Type		
Roads DCC	$ 694,822	$ 242,921
Reserve for guarantees, warranties or indemnities	128,999	81,496
Drainage DCC	279,537	562,035
Waste Water DCC	4,682,372	3,419,532
Water DCC	1,560,244	901,206
	$ 7,345,974	$ 5,207,190
DCC Activity		
Balance, Beginning of Year	$ 5,207,190	$ 4,923,199
Return on Investments	110,600	84,916
DCCs Levied in the Year	2,515,156	517,125
Transfers to General Operating	(486,972)	(318,050)
	$ 7,345,974	$ 5,207,190

5. Development Cost Charges

In 2010, Council adopted the Development Cost Charge Reduction Bylaw and the companion Economic Incentive Zone Bylaw. The purpose of these bylaws was to spur development in key areas of the city, promote sustainable development and promote the development of affordable rental housing. The bylaws also contain provision to encourage high-end hotel development. These bylaws will reduce the value of development cost charges, building permit fees and municipal taxes received by The City of Penticton for eligible developments.

The DCC reductions and Economic Incentive tax exemption program have been implemented in accordance with the provisions of Section 933(1) of the Local Government Act and Section 226 of the Community Charter, respectively. In 2013, $23,579 (2012 - $1,797) of Economic Incentive tax exemptions were granted. In addition, Council approved $359,070 (2012 - $11,396) in DCC reductions in 2013.

6. Pension Liability

The City and its employees contribute to the Municipal Pension Plan (Plan) a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 258 contributors from the City of Penticton.

The latest valuation as at December 31, 2012 indicated a unfunded liability of $1.370 million for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

6. Pension Liability continued

The City of Penticton paid $1,485,869 (2012 - $1,485,197) for employer contributions to the Plan in fiscal 2013.

7. Contingent Liabilities

a. Regional District of Okanagan Similkameen

Under Section 836 of the Local Government Act, all monies borrowed by a Regional District, shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. At December 31, 2013, the long term debt of the Regional District aggregated $98,708,795 (2012 - $107,166,215).

b. Legal Actions

As at December 31, 2013, certain legal actions are pending against the City as follows:

1. The City is aware of various liens registered against the City owned properties located at 903-969 Eckhardt Ave W. These liens were filed by various companies engaged by the third party purchaser of the same properties who subsequently defaulted on the purchase. These companies were not paid and they filed liens against the properties. Twelve liens were filed representing claims totaling $2,111,921.90. Since then, and within the one year limitation period under the Builders Lien Act, five lien claimants had started legal actions against various parties, including the City, and filed certificates of pending litigation ("CPL") against the properties. One claimant has subsequently abandoned its lien claim and discontinued its action. The remaining four claims remain alive with the value of these lien claims totaling $1,043,731. It is unknown at this time the likely outcome; however, damages could reach $104,000, which is 10% of the total claims still being advanced. $317,212 is being held in trust by the City's legal counsel pending settlement of these claims.

2. The City of Penticton has been named a party to an action related to the construction of the indoor soccer facility with respect to deficiencies in the physical durability of the outer covering. Expected exposure relates to costs which cannot be reasonably estimated at this time. Given the uncertainty of the amount and likeliness of the claim, no accrual has been recorded in regards to these costs.

3. The City of Penticton has been named a party to an action with respect to the City's operation of the Carmi Landfill on lands now owned by the Plaintiff. The Plaintiff alleges that the City is liable for remediation of the contamination and seeks damages for negligence, trespass and nuisance but expected exposure cannot be reasonably estimated at this time. The action has been placed in abeyance while the Plaintiff completes further environmental studies. The amount of the claim is unspecified. Given the uncertainty of the amount and likeliness of the claim, no accrual has been recorded in regards to these costs.

4. The City of Penticton has been named a party to an action with respect to a claim filed with the Expropriation Compensation Board claiming constructive expropriation and injurious affection arising from the Campbell Mountain Landfill, and in particular, methane gas emissions from the landfill. The City filed its Statement of Defense in 2000 and the claim has not moved forward for some time. Expected exposure cannot be reasonably estimated at this time. Given the uncertainty of the amount and likeliness of the claim, no accrual has been recorded in regards to these costs.

7. Contingent Liabilities continued

b. Legal Actions continued

5. That the City, as the licensee, has entered into a license agreement with Team Challenge GMBH to host an international, world-class long distance triathlon in the City of Penticton. Under the terms of that License Agreement, the City is contractually obliged to host and, either on its own or through a third party society, organize and execute the Challenge Event. The City is contractually obliged to impose all obligations of the City under the License Agreement upon the Penticton Triathlon Race Society through a written contract. Under the terms of the License Agreement, the City is entitled to charge potential participants of the Challenge Event registration fees. The Delivery of Services Agreement with the Penticton Triathlon Race Society acknowledges that the assets of the Society shall at all times be the property solely of the City notwithstanding that the Society may have paid directly for the said property and that title thereto shall not pass to the Society. All assets of the Society of every kind and description including intellectual property will remain solely the property of the City of Penticton. At the expiration of the Term of the Agreement, the Society shall deliver to the City the assets of the Society and there is a possibility the City may assume some of the responsibility for some of the outstanding liabilities.

6. The City of Penticton filed a Petition against the Penticton Hospitality Association (PHA) on January 24, 2014 in the Penticton Registry of the BC Supreme Court, the hearing on the petition proceeding in Kelowna March 18, 2014 to March 20, 2014. The City is awaiting a decision on the petition and there is a possibility that the City would be obliged to pay the PHA's legal costs in the event the City is unsuccessful. As at December 31, 2013 the City held $215,708 MRDT and is reflected in the General Revenue Fund Statement of Financial Position as well as the Consolidated Statement of Financial Position.

c. General Contingencies

From time to time there are potential claims against the Ctiy for incidents which arise in the ordinary course of business. In the opinion of management and legal counsel, the outcomes of the claims are not determinable at this time and cannot be estimated. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

8. Letters of Credit

In addition to the performance deposits reflected in the Consolidated Statement of Financial Position, the City is holding irrevocable Letters of Credit in the amount of $2,076,837 which were received from depositors to ensure their performance of works to be undertaken within the City. These amounts are not reflected in the Consolidated Financial Statements but are available to satisfy liabilities arising from non-performance by the depositors.

9. Net Long Term Debt

Net long term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2013	2012
Municipal Finance Authority (See Debt Issued and Outstanding Sch.)	$ 60,295,264	$ 67,599,365

Principal repayments relating to net long term debt of $60,295,264 outstanding are due as follows (in thousands):

	2014	2015	2016	2017	2018	Thereafter
General Fund	$ 3,225	$ 3,226	$ 3,228	$ 3,229	$ 3,230	$ 19,792
Sewer Fund	575	575	575	575	575	10,732
Water Fund	549	549	458	422	422	8,358
	$ 4,349	$ 4,350	$ 4,261	$ 4,226	$ 4,227	$ 38,882

Long term debt is secured by the assets of the City. The Long Term Debt is held by the Municipal Finance Authority. The principal payments are invested by the Muncipal Finance Authority into a Sinking Fund. The principal repayments are currently calculated at a rate of 4%. The 2013 earnings in the Sinking Fund were calculated to be $1,449,371 and are included in Other Revenue on the Consolidated Statement of Operations.

10. Tangible Captial Assets

In 2013 the City of Penticton incurred $11,021,701 of Capital Expenditures. The Tangible Capital Asset Policy requires that capital expenditures beneath a specified threshold are not capitalized. The total amount capitalized in accordance with the TCA Policy is $8,559,790 for 2013. The amount of Capital purchases below the TCA threshold that were expensed within the Consolidated Statement of Operations were $2,461,911.

10. Tangible Captial Assets continued

	Land	Building	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2013 Total
COST									
Opening Balance	$ 46,295,256	$ 160,420,594	$ 32,457,417	$ 47,414,746	$ 45,986,506	$ 63,313,159	$ 71,807,715	$ 1,709,000	$ 469,404,393
Add: Additions	52,250	799,316	2,162,879	337,525	778,378	546,840	692,597	3,190,005	8,559,790
Less: Disposals	775,116	49,961	342,852	-	-	-	151,286	-	1,319,215
	45,572,390	161,169,949	34,277,444	47,752,271	46,764,884	63,859,999	72,349,026	4,899,005	476,644,968
ACCUMULATED AMORTIZATION									
Opening Balance	-	48,363,627	19,387,407	5,374,541	15,653,596	25,865,589	36,774,103	-	151,418,863
Add: Amortization	-	4,871,618	1,850,636	955,480	711,703	2,080,908	2,154,186	-	12,624,531
Less: Acc Amortization on Disposals	-	49,961	310,352	-	-	-	123,203	-	483,516
	-	53,185,284	20,927,691	6,330,021	16,365,299	27,946,497	38,805,086	-	163,559,878
Net Book Value for Year Ended Dec. 31, 2013	$ 45,572,390	$ 107,984,665	$ 13,349,753	$ 41,422,250	$ 30,399,585	$ 35,913,502	$ 33,543,940	$ 4,899,005	$ 313,085,090

	Land	Building	Equipment	Sewer Infrastructure	Water Infrastructure	Electrical Infrastructure	Roads	Construction in Progress	2012 Total
COST									
Opening Balance	$ 46,297,856	$ 159,557,680	$ 29,722,252	$ 21,180,352	$ 42,582,178	$ 61,869,148	$ 71,090,417	$ 27,068,766	$ 459,368,649
Add: Additions	-	923,276	2,619,902	1,568,569	3,404,328	1,444,011	717,298	-	10,677,384
Add: Trsf to/from Construction in Progress	-	-	693,941	24,665,825	-	-	-	(25,359,766)	-
Less: Disposals	2,600	60,362	578,678	-	-	-	-	-	641,640
	46,295,256	160,420,594	32,457,417	47,414,746	45,986,506	63,313,159	71,807,715	1,709,000	469,404,393
ACCUMULATED AMORTIZATION									
Opening Balance	-	43,533,986	18,206,322	4,423,561	14,952,873	23,805,571	34,608,981	-	139,531,294
Add: Amortization	-	4,890,003	1,728,763	950,980	700,723	2,060,018	2,165,122	-	12,495,609
Less: Acc Amortization on Disposals	-	60,362	547,678	-	-	-	-	-	608,040
	-	48,363,627	19,387,407	5,374,541	15,653,596	25,865,589	36,774,103	-	151,418,863
Net Book Value for Year Ended Dec. 31, 2012	$ 46,295,256	$ 112,056,967	$ 13,070,010	$ 42,040,205	$ 30,332,910	$ 37,447,570	$ 35,033,612	$ 1,709,000	$ 317,985,530

11. Reporting by Object

	2013	2012
Salaries and Benefits	$ 19,388,911	$ 16,037,407
Goods and Services	39,361,613	39,306,242
Interest	4,455,138	4,483,819
Amortization of Tangible Capital Assets	12,624,531	12,495,609
Other Expenses	3,062,963	3,266,326
Vehicle and Equipment Maintenance	3,814,541	3,194,406
Policing Agreement	6,128,455	5,650,098
	$ 88,836,152	$ 84,433,907

12. Credit Facilities

a. Line of Credit

The City holds a $5,000,000 line of credit with the Valley First Credit Union. This line of credit has a borrowing rate of prime and is secured by the Revenue Anticipation Borrowing Bylaw 2011 No. 5003. There is currently no balance or amount outstanding.

b. Bank Indebtedness

The City holds a $3,480,000 EFT limit.

13. Municipal Finance Authority

Cash Deposits and Demand Notes - The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

Proceeds on loan requests are 98.40% of the gross amount of the loan. 1% is deducted by the MFA for security against loan default (this is held in trust by the MFA in its Debt Reserve Fund and will be refunded to clients, with interest, at loan expiry). The remaining 0.60% is deducted as an issue expense to cover the costs of administering the Debt Reserve Fund.

As at December 31, 2013 the Debt Reserve Fund demand note requirements were $3,534,669 (2012 - $4,416,699). In addition, cash deposits totaling $1,179,657 (2012 - $1,244,321) were held by the MFA.

14. Land Inventory Held for Re-Sale

Land inventory held for re-sale is recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the Consolidated Statement of Financial Position date.

Land inventory held for re-sale consists of vacant lots along Eckhardt Avenue and is carried at cost of $2,397,891 on the Consolidated Statement of Financial Position.

15. Budget

The Financial Plan (Budget) Bylaw adopted by Council on December 17, 2012 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to Nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council with adjustments as follows:

	2013
Financial Plan (Budget) Bylaw surplus for the year	$ -
Add:	
Transfer to Funds/Reserves	12,824,976
Debt Principal Repayments	5,852,327
Budgeted Capital Expenditures	14,415,998
Less:	
Budgeted Transfers from Surplus	13,967,384
Budget Surplus per Statement of Operations	$ 19,125,917

16. Transfers From Other Governments

	2013	2012
Gas tax strategic priorities fund-West Okanagan Lake waterfront	$ 1,202,615	$ -
Gas tax community works fund	907,138	907,538
Traffic fine revenue sharing	733,142	415,000
Okanagan Basin Water Board grants	219,795	407,686
Community Sport & Development grant	-	138,694
Local Motion grant	-	47,250
Miscellaneous	40,473	105,111
	$ 3,103,163	$ 2,021,279

17. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

18. Segmented Information

The City is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, water and electricity. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

18. Segmented Information continued

General Government Services

This segment includes all of the revenues and expenses that relate to the operations of the City itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of police services and fire protection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education.

Transportation Services

Transportation is responsible for providing the City's transit services.

Environmental Health Services

Environmental services consists of providing waste disposal to citizens.

Public Health and Safety

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

Environmental Development Services

This segment includes city planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

Recreation and Culture

This segment provides services meant to improve health and development of the City's citizens. Recreational programs and cultural programs like swimming and skating lessons are provided at the arenas, the aquatic centre and the community centre. Also, the City provides library services to assist with its citizens' informational needs and a museum that houses collections and artifacts.

Electrical Supply

This segment includes all of the operating activities related to the supply of the City's electricity.

Sewer System Utility

This segment includes all of the operating activities related to the collection and treatment of wastewater (sewage) throughout the City.

Water Utility Services

This segment includes all of the operating activities related to the treatment and distribution of water throughout the City.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2013

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	2013 Total
REVENUE											
Taxation	$ 25,817,696	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,347,799	$ -	$ 27,165,495
Sales of Services	2,640,181	944,645	1,005,608	1,812,792	263,709	136,739	1,987,083	36,247,860	4,000,853	6,349,335	55,388,805
Government Grants and Transfers	1,675,665	-	1,202,615	-	-	-	5,088	-	203,773	16,022	3,103,163
Other Revenue	11,346,682	1,373	8,951	-	(118)	70,059	4,693	5,524	11,984	17,203	11,466,351
Other Contributions	129,307	-	640,148	-	-	-	123,255	101,703	(6,629)	33,453	1,021,237
Gain on Sale of TCA	199,386	-	-	-	-	-	-	-	-	-	199,386
	41,808,917	946,018	2,857,322	1,812,792	263,591	206,798	2,120,119	36,355,087	5,557,780	6,416,013	98,344,437
EXPENDITURE											
Salaries and Benefits	2,814,837	6,548,487	2,201,575	1,363	8,863	1,007,326	3,648,223	1,074,067	1,055,768	1,028,402	19,388,911
Goods and Services	1,514,160	725,677	2,284,573	1,217,763	174,336	1,184,420	4,317,638	26,136,523	799,199	1,007,324	39,361,613
Interest	(42,166)	126,000	193,045	-	128,750	-	2,545,128	-	769,671	734,710	4,455,138
Amortization of Tangible Capital Assets	6,722,254	-	2,154,186	-	-	-	-	2,080,908	955,480	711,703	12,624,531
Other Expenses	1,606,737	17,470	(5,508)	-	-	457,167	986,899	-	198	-	3,062,963
Vehicle and Equipment Maintenance	318,791	93,418	2,134,712	216	2,224	6,844	307,773	326,330	299,551	324,682	3,814,541
Policing Agreement	-	6,128,455	-	-	-	-	-	-	-	-	6,128,455
	12,934,613	13,639,507	8,962,583	1,219,342	314,173	2,655,757	11,805,661	29,617,828	3,879,867	3,806,821	88,836,152
Excess (Deficiency) of Revenues Over Expenditures	$ 28,874,304	$ (12,693,489)	$ (6,105,261)	$ 593,450	$ (50,582)	$ (2,448,959)	$(9,685,542)	$ 6,737,259	$ 1,677,913	$ 2,609,192	$ 9,508,285

See accompanying notes to the Consolidated Financial Statements.

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

SCHEDULE OF SEGMENT DISCLOSURE
DECEMBER 31, 2012

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Safety	Environmental Development Services	Recreation and Culture	Electrical Supply	Sewer System Utility	Water Utility Services	2012 Total
REVENUE											
Taxation	$ 25,769,942	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,348,283	$ -	$ 27,118,225
Sales of Services	2,039,389	772,997	998,047	1,528,961	203,656	172,479	1,902,520	32,386,657	3,957,828	6,078,832	50,041,366
Government Grants and Transfers	2,021,279	-	-	-	-	-	-	-	-	-	2,021,279
Other Revenue	11,039,541	-	-	-	-	-	-	-	292,554	95,685	11,427,780
Other Contributions	-	-	-	-	-	-	-	197,776	72,310	126,181	396,267
Gain on Sale of TCA	181,307	-	-	-	-	-	-	-	-	-	181,307
	41,051,458	772,997	998,047	1,528,961	203,656	172,479	1,902,520	32,584,433	5,670,975	6,300,698	91,186,224
EXPENDITURE											
Salaries and Benefits	3,263,263	5,975,276	615,743	34,634	-	723,727	3,011,870	742,639	1,008,296	661,959	16,037,407
Goods and Services	2,514,632	503,720	2,839,513	1,199,785	142,698	922,073	4,742,170	24,306,620	868,837	1,266,194	39,306,242
Interest	(20,437)	126,000	193,045	-	128,750	-	2,548,216	-	769,806	738,439	4,483,819
Amortization of Tangible Capital Assets	4,890,003	-	3,893,885	-	-	-	-	2,060,018	950,980	700,723	12,495,609
Other Expenses	2,024,022	15,920	-	-	-	270,593	955,791	-	-	-	3,266,326
Vehicle and Equipment Maintenance	345,189	282,875	1,709,418	-	-	11,492	75,285	174,736	209,443	385,968	3,194,406
Policing Agreement	-	5,650,098	-	-	-	-	-	-	-	-	5,650,098
	13,016,672	12,553,889	9,251,604	1,234,419	271,448	1,927,885	11,333,332	27,284,013	3,807,362	3,753,283	84,433,907
Excess (Deficiency) of Revenues Over Expenditures	$ 28,034,786	$ (11,780,892)	$ (8,253,557)	$ 294,542	$ (67,792)	$ (1,755,406)	$(9,430,812)	$ 5,300,420	$ 1,863,613	$ 2,547,415	$ 6,752,317

See accompanying notes to the Consolidated Financial Statements.

BDO

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Penticton BC V2A 1H1 Canada

Independent Auditor's Comments on Supplementary Information

To the Mayor and Council
The Corporation of the City of Penticton

We have audited the consolidated financial statements of The Corporation of the City of Penticton, which comprise the consolidated statement of financial position as at December 31, 2013 and consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information and have issued our report thereon dated June 23, 2014. This report contained an unmodified opinion on the consolidated financial statements as a whole. The following supplemental financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

BDO Canada LLP

Chartered Accountants

Penticton, British Columbia
June 23, 2014

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THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

GENERAL REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013 Budget	2013	2012
REVENUE			
Taxation	$ 25,906,851	$ 25,817,696	$ 25,772,935
Sales of Services	11,055,450	11,653,758	10,605,362
Government Grants and Transfers	2,619,000	1,680,752	1,444,901
Transfer From Other Funds/Reserves	10,737,632	8,342,624	6,396,940
Other Revenue	9,669,369	9,971,209	10,168,067
Other Contributions	-	901,411	-
Sale of Assets	-	974,501	-
Collections For other Governments	20,689,385	19,935,708	19,742,695
	80,677,687	79,277,659	74,130,900
EXPENDITURE			
Salaries and Benefits	15,275,527	16,230,674	13,624,513
Goods and Services	11,135,862	11,418,567	11,865,779
Interest	2,992,921	2,950,757	2,958,191
Principal Payments	4,700,290	4,700,291	4,698,766
Other Expenses	3,505,750	3,062,765	3,283,707
Vehicle and Equipment Maintenance	2,762,103	2,863,979	2,424,258
Policing Agreement	6,492,067	6,128,455	5,650,098
Transfer to Other Funds/Reserves	13,123,782	11,789,056	9,171,270
Transfers to Other Governments	20,689,385	19,935,708	19,745,688
	80,677,687	79,080,252	73,422,270
EXCESS OF REVENUE OVER EXPENDITURE	-	197,407	708,630
CHANGE IN FUND BALANCES	-	197,407	708,630
FUND BALANCES, BEGINNING OF YEAR	5,015,259	5,015,259	4,306,629
FUND BALANCES, END OF YEAR	$ 5,015,259	$ 5,212,666	$ 5,015,259

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

RESERVE FUNDS
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013	2012
Balance, Beginning of Year	$ 12,581,839	$ 13,545,025
Add		
Transfers from:		
Revenue Funds	3,235,848	2,097,636
Interest Earned	207,269	197,684
Deduct		
Transfers to:		
Capital Funds	1,929,757	3,258,506
Balance, End of Year	**$ 14,095,199**	$ 12,581,839
STATUTORY RESERVE FUND BALANCES		
Equipment Replacement Reserve Fund	2,795,235	3,468,250
Tax Sale Lands Reserve Fund	7,116	6,999
Capital Reserve Fund	3,408,658	2,571,163
Local Improvement	1,722,706	1,546,375
Water Capital Reserve Fund	511,302	557,950
Sewer Capital Reserve Fund	851,623	502,904
Electric Capital Reserve Fund	955,752	940,053
Off-Site Parking Reserve Fund	115,323	113,429
Amenity Density Reserve	291,431	2,588,072
Community Works Reserve Fund	3,436,053	286,644
Balance, End of Year	**$ 14,095,199**	$ 12,581,839

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	Equipment Replacement	Tax Sale Lands	Capital	Local Improvement	Sewer Capital	Water Capital	Electic Capital	Off-Street Parking	Amenity Density	Community Works	2013 Total	2012 Total
BALANCE, BEGINNING OF YEAR	$ 3,468,250	$ 6,999	$ 2,571,183	$ 1,546,375	$ 502,904	$ 557,950	$ 840,053	$ 113,429	$ 286,644	$ 2,588,072	$ 12,581,839	$ 13,545,025
ADD												
Transfers from:												
General Revenue Fund	929,133	-	954,107	-	-	-	-	-	-	907,139	2,790,379	2,097,634
General Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-
Water Capital Fund	-	-	-	161,114	-	-	-	-	-	-	161,114	-
Water Revenue Fund	-	-	-	-	-	284,355	-	-	-	-	284,355	-
Interest Earned	65,679	117	42,938	15,217	8,398	9,318	15,699	1,894	4,787	43,222	207,269	197,683
	994,812	117	997,045	176,331	8,398	293,673	15,699	1,894	4,787	950,361	3,443,117	2,295,317
DEDUCT												
Transfers to:												
General Capital Fund	1,967,827	-	159,550	-	-	-	-	-	-	102,380	1,929,757	935,459
General Capital Reserve	-	-	-	-	-	-	-	-	-	-	-	1,284,952
Sewer Capital Fund	-	-	-	-	-	-	-	-	-	-	-	38,095
Water Capital Fund	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Water Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
Sewer Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
General Capital Fund	-	-	-	-	-	-	-	-	-	-	-	-
	1,967,827	-	159,550	-	-	-	-	-	-	102,380	1,929,757	3,258,506
BALANCE, END OF YEAR	$ 2,795,238	$ 7,116	$ 3,408,658	$ 1,722,706	$ 511,302	$ 851,623	$ 855,752	$ 115,323	$ 291,431	$ 3,436,053	$ 14,095,199	$ 12,581,836

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

SEWER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013 Budget	2013	2012
REVENUE			
Taxation	$ 1,348,887	$ 1,347,799	$ 1,348,283
Sales of Services	4,291,000	3,996,204	4,250,381
Government Grants and Transfers	203,320	203,773	407,686
Other Revenue	-	11,984	-
	5,843,207	5,559,760	6,006,350
EXPENDITURE			
Salaries and Benefits	1,158,746	1,055,768	1,008,296
Goods and Services	1,297,863	1,157,199	1,198,836
Interest	773,830	769,671	769,806
Principal Payments	575,057	575,057	575,057
Vehicle and Equipment Maintenance	221,000	299,551	209,443
Transfer to Other Funds/Reserves	1,249,500	336,959	1,267,119
	5,275,996	4,194,205	5,028,557
EXCESS OF REVENUE OVER EXPENDITURE	567,211	1,365,555	977,793
CHANGE IN FUND BALANCES	567,211	1,365,555	977,793
FUND BALANCES, BEGINNING OF YEAR	7,396,633	7,396,633	6,418,840
FUND BALANCES, END OF YEAR	$ 7,963,844	$ 8,762,188	$ 7,396,633

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

WATER REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013 Budget	2013	2012
REVENUE			
Sales of Services	$ 6,282,245	$ 6,292,996	$ 6,167,803
Government Grants and Transfers	-	16,022	-
Transfer From Other Funds/Reserves	141,230	892,900	81,230
Other Revenue	-	17,203	-
	6,423,475	7,219,121	6,249,033
EXPENDITURE			
Salaries and Benefits	756,146	1,028,402	661,959
Goods and Services	1,789,713	1,442,325	1,658,194
Interest	747,451	734,710	738,439
Principal Payments	579,384	579,384	579,384
Vehicle and Equipment Maintenance	326,000	324,681	385,968
Transfer to Other Funds/Reserves	1,721,000	1,677,981	2,866,418
	5,919,694	5,787,483	6,890,362
EXCESS OF REVENUE OVER EXPENDITURE	503,781	1,431,638	(641,329)
CHANGE IN FUND BALANCES	503,781	1,431,638	(641,329)
FUND BALANCES, BEGINNING OF YEAR	548,345	548,345	1,189,674
FUND BALANCES, END OF YEAR	$ 1,052,126	$ 1,979,983	$ 548,345

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

ELECTRIC REVENUE FUND
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013 Budget	2013	2012
REVENUE			
Sales of Services	$ 36,477,617	$ 36,144,405	$ 32,386,658
Other Revenue	-	5,524	-
Transfer From Other Funds/Reserves	-	1,869,849	-
	36,477,617	38,019,778	32,386,658
EXPENDITURE			
Salaries and Benefits	787,600	1,074,067	742,639
Goods and Services	28,568,675	28,206,523	26,260,320
Vehicle and Equipment Maintenance	283,700	326,330	174,736
Transfer to Other Funds/Reserves	10,075,700	9,442,732	6,216,101
	39,715,675	39,049,652	33,393,796
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,238,058)	(1,029,874)	(1,007,138)
CHANGE IN FUND BALANCES	(3,238,058)	(1,029,874)	(1,007,138)
FUND BALANCES, BEGINNING OF YEAR	8,078,845	8,078,845	9,085,983
FUND BALANCES, END OF YEAR	$ 4,840,787	$ 7,048,971	$ 8,078,845

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2013

LIA B Law	S/1 B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2013 Payments	
										Interest	Principal
General Fund											
9925	20005	72	12-Apr-00	RCMP Building	$ 2,500,000	$ 1,151,275	20	2020	6.450	$ 78,750	$ 82,873
9925	20046	73	07-Nov-00	RCMP Building	1,500,000	690,765	20	2020	6.360	47,250	49,725
2003-15	2268	81	22-Apr-04	Storm Sewer	337,500	224,953	20	2024	4.860	16,403	10,207
2004-16	859-2004	85	25-Oct-04	Parks-Land Acquisition	1,680,000	1,119,787	20	2024	4.975	83,580	50,808
2004-18	859/2004	85	25-Oct-04	Road Works-S. Main St.	195,000	129,973	20	2024	4.975	9,701	5,897
2004-19	859/2004	85	25-Oct-04	Road Design-Main St.	150,000	99,979	20	2024	4.975	7,463	4,536
2004-20	859/2004	85	25-Oct-04	Integrated Waterfront	550,000	366,591	20	2024	4.975	27,363	16,633
2004-21	859/2004	85	25-Oct-04	Youth Park	50,000	33,328	20	2024	4.975	2,488	1,512
2004-11	1108/2004	93	06-Apr-05	Wine Information Centre	800,000	527,297	20	2025	5.100	27,840	37,167
2004-20	1108-2004	93	06-Apr-05	Integrated Waterfront	520,000	342,743	20	2025	5.100	18,096	24,158
2004-21	614/2005	95	13-Oct-05	Youth Park	150,000	103,585	20	2025	4.170	6,255	5,037
2004-18	615/2005	95	13-Oct-05	Integrated Waterfront	825,000	569,720	20	2025	4.170	34,403	27,705
2006-15	17/17/2006	99	07-Nov-06	Road Works-Fairview/Ind	1,595,000	1,171,945	20	2026	4.430	70,659	53,583
2006-17	17/17/2006	99	07-Nov-06	Sportsfields	3,200,000	2,351,237	20	2026	4.430	141,760	107,462
2006-18	273-2007	102	27-Mar-07	Queens Park Site Serv	7,000,000	3,132,732	10	2017	4.820	337,400	583,037
2006-33	273/2007	102	02-Nov-07	Integrated Waterfront '06	350,000	272,039	20	2027	4.820	16,870	11,754
2006-39	273/2007	102	02-Nov-07	S Okanagan Event Ctre	8,000,000	3,580,266	10	2017	4.820	385,600	666,328
2006-76	024/2008	103	23-Apr-08	Wellness Centre	3,000,000	2,454,331	20	2028	4.650	139,500	100,745
2006-39	333/2008	104	20-Nov-08	S Okanagan Event Cntr	10,000,000	5,488,694	10	2018	5.150	515,000	832,909
2006-39	333/2008	104	20-Nov-08	S Okanagan Event Cntr	8,000,000	-	5	2013	4.350	348,000	1,477,017
2007-41	333/2008	104	20-Nov-08	Cemetery-Columbarium	2,500,000	2,045,276	20	2028	5.150	128,750	83,954
2007-52	333/2008	104	20-Nov-08	Indoor Soccer Facility	1,000,000	818,110	20	2028	5.150	51,500	33,582
2007-57	333/2008	104	20-Nov-08	Integrated Waterfront	530,000	433,598	20	2028	5.150	27,295	17,798
2007-60	333/2008	104	20-Nov-08	PIDA	1,140,000	625,711	10	2018	5.150	58,710	94,952
2007-60	157-2009	105	21-Apr-09	PIDA	231,344	149,519	10	2019	4.900	11,336	19,269
2007-52	638/2009	109	13-Oct-09	Indoor Soccer Facility	415,000	355,819	20	2029	4.130	17,140	13,936
2007-52	15/30/2010	110	08-Apr-10	Indoor Soccer Ph2	586,000	524,570	20	2030	4.500	26,370	19,679
2009-14	15/30/2010	110	08-Apr-10	Pool Upgrades	7,400,000	6,624,267	20	2030	4.500	333,000	248,505
2007-52	B25/2011	116	04-Apr-11	Indoor Soccer Facility	135,000	125,752	20	2031	4.200	5,670	4,534
2009-43	B25/2011	116	04-Apr-11	Road Wrks-Smythe Dr	447,000	416,378	20	2031	4.200	18,774	15,011
					64,786,844	35,930,218				2,992,926	4,700,293

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

DEBT ISSUED AND OUTSTANDING
DECEMBER 31, 2013

LIA B Law	S/I B Law	Issue	Issue Date	Purpose	Issue Amount	Outstanding Amount	Term (Years)	Maturity	Rate (%)	2013 Payments	
										Interest	Principal
Water Fund											
92110	9504	60	12-Apr95	Water Treatment Plant	1,000,000	-	20	2015	4.750	23,750	30,242
92110	9542	61	01-Dec-95	Water Treatment Plant	3,000,000	447,612	20	2015	4.000	90,000	90,728
92110	96-08	63	01-Jun-96	Water Treatment Plant	1,200,000	262,225	20	2016	3.000	36,000	36,291
2006-07	17/07/2006	99	07-Nov-06	Naramata Rd. Upgrade	4,670,000	3,431,336	20	2026	4.430	206,881	158,827
2007-86	333/2008	104	20-Nov-08	Water Filtration Plant	4,000,000	3,272,442	20	2028	5.150	206,000	134,327
2007-83	638/2009	106	13-Oct-09	Water Filtration Plant	3,900,000	3,343,846	20	2029	4.130	161,070	130,169
					17,770,000	10,757,461			-	723,701	579,384
Sewer Fund											
2008-61	273/2007	102	02-Nov-07	Septage Handling Facility	1,050,000	816,116	20	2027	4.820	50,610	35,261
2008-10	333-2008	104	02-Nov-07	Sewer System Upgrade	8,000,000	6,544,883	20	2028	5.150	412,000	288,654
2007-60	333/2008	104	20-Nov-08	PIDA	360,000	197,593	10	2018	5.150	18,540	29,985
2007-60	157/2009	105	21-Apr-09	PIDA	73,056	47,217	10	2018	4.900	3,580	6,085
2008-10	638-2009	106	13-Oct-09	Sewer Plant Expansion	7,000,000	6,001,774	20	2029	4.130	289,100	235,072
					16,483,056	13,607,583			-	773,830	575,057
					$ 99,039,900	$ 80,295,262			-	$ 4,490,457	$ 5,854,734

THE CORPORATION OF THE CITY OF PENTICTON BRITISH COLUMBIA

CEMETARY PERPETUAL TRUST FUND
STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

	2013	2012
ASSETS		
Bank Term Deposits	$ 934,850	$ 917,419
Receivables		
Due From General Revenue Fund	40,910	6,339
	$ 893,940	$ 911,080
SURPLUS		
Balance, Beginning of Year	$ 911,080	$ 908,444
Add:		
Care Fund Contributions	26,445	18,622
Interest Earned	17,415	14,014
	43,860	32,636
Deduct:		
2013 Cemetary Maintenance	61,000	30,000
Balance, End of Year	$ 893,940	$ 911,080